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SENATE BILL 593

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Linda M. Lopez

AN ACT

RELATING TO TAXATION; EXTENDING THE DEADLINE BY WHICH COUNTY TREASURERS MUST MAIL NOTICES OF DELINQUENT PROPERTY TAXES TO PROPERTY OWNERS; CHANGING A CRITERION FOR THE INCLUSION OF PROPERTY FOR WHICH TAXES ARE DELINQUENT IN TAX DELINQUENCY LISTS PREPARED BY COUNTY TREASURERS; INCREASING THE TIME PERIOD DURING WHICH REAL PROPERTY SHALL NOT BE SOLD FOR THE COLLECTION OF DELINQUENT TAXES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-38-60 NMSA 1978 (being Laws 1973, Chapter 258, Section 101, as amended) is amended to read:

"7-38-60. NOTIFICATION TO PROPERTY OWNER OF DELINQUENT TAXES.--By June 10 of each year, the county treasurer shall mail a notice to each property owner of property for which taxes have been delinquent for more than [~~two~~] three years.

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1 The notice shall be in a form and contain the information
2 prescribed by department regulations and shall include the
3 following:

4 A. a description of the property upon which the
5 taxes are due;

6 B. a statement of the amount of property taxes due,
7 the date on which they became delinquent, the rate of accrual
8 of interest and any penalties or costs that may be charged;

9 C. a statement that the delinquent tax account on
10 real property will be transferred to the department for
11 collection;

12 D. a statement that if taxes due on real property
13 are not paid within [~~three~~] four years from the date of
14 delinquency, the real property will be sold and a deed issued;
15 and

16 E. a statement that if taxes due on personal
17 property are not paid, the personal property may be seized and
18 sold for taxes under authority of a demand warrant."

19 Section 2. Section 7-38-61 NMSA 1978 (being Laws 1973,
20 Chapter 258, Section 100, as amended) is amended to read:

21 "7-38-61. REAL PROPERTY TAXES DELINQUENT FOR MORE THAN
22 [~~TWO~~] THREE YEARS--TREASURER TO PREPARE DELINQUENCY LIST--
23 NOTATION ON PROPERTY TAX SCHEDULE.--

24 A. By July 1 of each year, the county treasurer
25 shall prepare a property tax delinquency list of all real

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1 property for which taxes have been delinquent for more than
2 [~~two~~] three years. The tax delinquency list shall contain the
3 information and be in a form prescribed and submitted by the
4 date required by department regulations. The county treasurer
5 shall record the tax delinquency list in the office of the
6 county clerk. There shall be no recording fee for recordation
7 of the tax delinquency list. The updated final property tax
8 sale list shall be recorded with the office of the county clerk
9 the day following the sale of the property. There shall be no
10 recording fee for recordation of the final property tax sale
11 list.

12 B. The county treasurer shall make a notation on
13 the property tax schedule indicating that the account has been
14 transferred to the department for collection at the time the
15 tax delinquency list is mailed to the department."

16 Section 3. Section 7-38-65 NMSA 1978 (being Laws 1973,
17 Chapter 258, Section 105, as amended) is amended to read:

18 "7-38-65. COLLECTION OF DELINQUENT TAXES ON REAL
19 PROPERTY--SALE OF REAL PROPERTY.--

20 A. If a lien exists by the operation of Section
21 7-38-48 NMSA 1978, the department may collect delinquent taxes
22 on real property by selling the real property on which the
23 taxes have become delinquent. The sale of real property for
24 delinquent taxes shall be in accordance with the provisions of
25 the Property Tax Code. Real property may be sold for

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1 delinquent taxes at any time after the expiration of [~~three~~
2 four years from the first date shown on the tax delinquency
3 list on which the taxes became delinquent. Real property shall
4 be offered for sale for delinquent taxes either within [~~four~~
5 five years after the first date shown on the tax delinquency
6 list on which the taxes became delinquent or, if the department
7 is barred by operation of law or by order of a court of
8 competent jurisdiction from offering the property for sale for
9 delinquent taxes within [~~four~~ five years after the first date
10 shown on the tax delinquency list on which the taxes became
11 delinquent, within one year from the time the department
12 determines that it is no longer barred from selling the
13 property, unless:

14 (1) all delinquent taxes, penalties, interest
15 and costs due are paid by 5:00 p.m. of the day prior to the
16 date of the sale; or

17 (2) an installment agreement for payment of
18 all delinquent taxes, penalties, [~~interests~~] interest and costs
19 due is entered into with the department by 5:00 p.m. of the day
20 prior to the date of the sale pursuant to Section 7-38-68 NMSA
21 1978.

22 B. Failure to offer property for sale within the
23 time prescribed by Subsection A of this section shall not
24 impair the validity or effect of any sale which does take
25 place.

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1 C. The time requirements of this section are
2 subject to the provisions of Section 7-38-83 NMSA 1978."

3 Section 4. Section 7-38-67 NMSA 1978 (being Laws 1973,
4 Chapter 258, Section 107, as amended) is amended to read:

5 "7-38-67. REAL PROPERTY SALE REQUIREMENTS.--

6 A. Real property shall not be sold for delinquent
7 taxes before the expiration of [~~three~~] four years from the
8 first date shown on the tax delinquency list on which the taxes
9 on the real property became delinquent.

10 B. Notice of the sale shall be published in a local
11 newspaper within the county where the real property is located
12 or, if there is no local county or municipal newspaper, then a
13 newspaper published in a county contiguous to or near the
14 county in which the real property is located, at least once a
15 week for the three weeks immediately preceding the week of the
16 sale. For more generalized notice, the department may choose
17 to publish notice of the sale also in a newspaper not published
18 within the county and of more general circulation. The notice
19 shall state the time and place of the sale and shall include a
20 description of the real property sufficient to permit its
21 identification and location by potential purchasers.

22 C. Real property shall be sold at public auction
23 either by the department or an auctioneer hired by the
24 department. The auction shall be held in the county where the
25 real property is located at a time and place designated by the

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1 department.

2 D. If the real property can be divided so as to
3 enable the department to sell only part of it and pay all
4 delinquent taxes, penalties, interest and costs, the department
5 may, with the consent of the owner, sell only a part of the
6 real property.

7 E. Before the sale, the department shall determine
8 a minimum sale price for the real property. In determining the
9 minimum price, the department shall consider the value of the
10 property owner's interest in the real property, the amount of
11 all delinquent taxes, penalties and interest for which it is
12 being sold and the costs. The minimum price shall not be less
13 than the total of all delinquent taxes, penalties, interest and
14 costs. Real property shall not be sold for less than the
15 minimum price unless no offer met the minimum price when it was
16 offered at an earlier public auction or the property is sold in
17 accordance with the provisions of Subsection H of this section.
18 A sale properly made under the authority of and in accordance
19 with the requirements of this section constitutes full payment
20 of all delinquent taxes, penalties and interest that are a lien
21 against the property at the time of sale, and the sale
22 extinguishes the lien.

23 F. Payment shall be made in full by the close of
24 the public auction before an offer may be deemed accepted by
25 the department.

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1 G. Real property not offered for sale may be
2 offered for sale at a later sale, but the requirements of this
3 section and Section 7-38-66 NMSA 1978 shall be met in
4 connection with each sale.

5 H. The board of trustees of a community land grant-
6 merced governed pursuant to the provisions of Chapter 49,
7 Article 1 NMSA 1978 or by statutes specific to the named land
8 grant-merced shall be allowed to match the highest bid at a
9 public auction, which shall entitle the board of trustees to
10 purchase the property for the amount bid if:

11 (1) the property is situated within the
12 boundaries of that land grant-merced as shown in the United
13 States patent to the grant;

14 (2) the bid covers all past taxes, penalties,
15 interest and costs due on the property; and

16 (3) the land becomes part of the common lands
17 of the land grant-merced."

18 Section 5. APPLICABILITY.--The provisions of this act
19 apply to the 2006 and subsequent property tax years.